



## **Joint Committee on the Master Plan for Higher Education**

December 7, 2009

Comments by

Pat Gantt

President, California State University Employees Union

Good afternoon. I'm Pat Gantt, president of the California State University Employees Union, or CSUEU, representing 16,000 classified staff workers across the 23 CSU campuses and the Office of the Chancellor. Our members are registered nurses, library assistants, custodians, information technology consultants, graphics specialists, performing arts technicians, and much more.

Our vision is a time when education becomes such a high statewide priority that funds are generously allocated in each year's state budget for the CSU to fulfill its loftiest educational goals while providing its staff with consistently excellent salaries and benefits, all for the betterment of California's future.

In today's economic environment, that word, "generously," stands out, doesn't it? But it was in a generous spirit that the California Master Plan for Higher Education was created, a spirit of allowing access to higher education for all, not just for a privileged few, and it's that spirit of free access that is truly at the heart of the CSU's academic mission.

The payoff, of course, has practical benefits for all, since it's self-evident that a well-educated workforce creates wealth and ensures a robust economy. In 2002-2003 alone, the 1.7 million CSU alumni working in California earned an estimated \$89 billion in income. For every dollar the state invests in the CSU, the CSU ultimately returns \$4.62, a better than four-fold ROI.

Unfortunately, we all know that California can no longer provide tuition-free education to all residents of the state, but we can still honor the spirit of the Master Plan and thereby preserve the economic engines that the CSU and its peer educational systems represent.

Surely the State of California can sufficiently fund our public institutions of higher education to allow them to fulfill their highest academic missions, and to do so at a strong enough level to bring the CSU administration back from the privatization precipice where it's now poised.

CSUEU proposes keeping the Master Plan for Higher Education alive through a multi-pronged approach:

- reallocate state resources from our prisons to our public universities
- close tax loopholes, and
- pursue new revenue streams, which, yes, means increasing taxes on corporations and individuals who can afford to pay them.



## California State University Employees Union

1108 "O" Street, 5<sup>th</sup> Floor, Sacramento, CA 95814 ♦ Phone: 916/319-4800 ♦ Fax: 916/319-4808 ♦ [www.csueu.org](http://www.csueu.org)

When it comes to spending on corrections versus higher education, the numbers are staggering:

- In 1998, nearly 13 percent of the General Fund was allocated to higher education and just 8 percent to corrections, but, by last year, they were both receiving 11 percent, equating to a loss of support to higher education of \$1.6 billion in fiscal 2008 alone.
- If the same trend continues, corrections will receive more than 15 percent by 2018 and higher education a mere 9 percent, at which point corrections will be receiving \$5 billion more per year than higher education.

We must diagnose the causes and stop this devastating trend. No other large state spends so disproportionately on prisons compared to higher education.

Closing tax loopholes: by this we mean, in particular, take a cold, hard look at Prop. 13 and amend the advantages it's given corporations for several decades now. Eliminate tax cuts for the wealthy, which, by some estimates, have cost the state \$11 billion per year since 1993.

Pursue new revenue streams: CSUEU joins with its peer unions in supporting Assemblyman Alberto Torrico's AB 656, which puts California in parity with other oil-producing states by creating an oil severance tax, with those revenues earmarked specifically for higher education.

You can neither cut your way to profitability in the private sector nor slash your way to a balanced budget in the public sector. At some point, you must find new revenue streams to get into the black or to balance a state budget.

It goes without saying that the well-being of our members and their livelihoods is at the core of CSUEU's purpose. But our members have a higher stake in all of this, for they too want the best for the CSU system and for our state. Their careers are dedicated to supporting the CSU's fundamental academic mission as a way of helping California stay competitive. That's why we voted in favor of a furlough program in the current fiscal year to deal with budget cuts. We're doing our share.

We do ask that some scrutiny be given to CSU budget allocations, particularly in regard to the expansion of MPPs. In the last three years, the number of managers has grown to its highest levels ever, even as CSU leaders call for cutbacks on every other front. Transparency in both budget allocations and decisions is in the best interest for all General Fund agencies. Taxpayers have entrusted us with that charge, and the CSU must do everything possible to honor that trust.

Thank you for your time and for whatever you can do to renew our state's commitment to the California Master Plan for Higher Education.

###